

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

SS-15 USIA-06 EB-08 COME-00 TRSE-00 FRB-03 OPIC-03

XMB-02 AID-05 IGA-02 EA-10 /102 W

-----015765 141159Z /14

R 141117Z JAN 78

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 7672

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMCONSUL LUBUMBASHI

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

C O N F I D E N T I A L KINSHASA 0397

E.O. 11652: GDS

TAGS: EFIN, CG

SUBJECT: CITIBANK LOAN TO ZAIRE

REF: KINSHASA 0240

1. ON JANUARY 13 LOCAL CITIBANK REP ABBOTT GAVE US FOLLOWING
EXPLANATION/UPDATE ON STATUS CITIBANK LOAN: WHEN ABBOTT HAD SPOKEN
WITH

BOFOSSA IN DECEMBER THEY HAD ORIGINALLY TALKED ABOUT PUTTING A
DEADLINE ON REPLIES CONCERNING SYNDICATION OF THE LOAN OF ABOUT
THREE WEEKS AFTER ZAIRIAN ACCEPTANCE, I.E. JAN 10. WHEN DELAYS
PUSHED ZAIRIAN FORMAL ACCEPTANCE BACK TO JAN 7, BOFOSSA DID NOT
REVISE DATE FOR BANK REPLIES. IN PHONE CONVERSATIONS WITH
ABBOTT AND FRIEDMAN, THE TIMING OF CABLES TO AND FROM THE VARIOUS
PARTICIPATING BANKS WAS ONCE AGAIN EXPLAINED TO BOFOSSA AND,
ACCORDING TO ABBOTT, HE SEEMS TO BE IN AGREEMENT WITH CALLING A
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MEETING OF ALL THE BANKERS INVOLVED FOR THE END OF THE MONTH,
RATHER THAN STICKING TO THE JAN 10 DEADLINE.
MOANDA, BOFOSSA'S ASSISTANT, HAS INDICATED THAT A LETTER TO
THIS EFFECT IS IN PREPARATION.

2. ACCORDING TO ABBOTT, CABLES REQUESTING PARTICIPATION IN THE
SYNDICATED LOAN WENT OUT TO FIRST TIER OF MAJOR BANKS ON

OR ABOUT JAN 9. THEY EXPECT TO HAVE RESPONSES FROM ALL OF THE BANKS CONCERNED BY ABOUT JAN 18 AND WILL THEN SEND OUT A SECOND SYNDICATION REQUEST TO SOME OF THE SMALLER INTERNATIONAL BANKS. CURRENTLY, THE ONLY PROBLEM CITIBANK SEES AMONG MAJOR BANKS, OTHER THAN POSSIBLE TECHNICAL INQUIRIES FROM JAPANESE, IS ABSENCE OF ANY GERMAN PARTICIPATION. COMMERCE BANK HAS HAD SOME DIFFICULTY IN CONTACTING ZAIRIAN AUTHORITIES, PARTICULARLY OGEDEP, REGARDING OUTSTANDING AMOUNTS DUE TO IT AND IS, THEREFORE, HESITANT TO BECOME INVOLVED IN THE SYNDICATION. ABBOTT HAS MADE SEVERAL APPROACHES TO OGEDEP TO GET THEM TO COMMUNICATE WITH COMMERCE BANK AND IS STILL HOPEFUL THAT THE GERMANS WILL IN FACT PARTICIPATE. CITIBANK IS CONFIDENT OF OBTAINING AT LEAST \$200 MILLION AND MAY OBTAIN \$250 MILLION, BUT THEY ARE NOT SURE OF THEIR ABILITY TO OBTAIN LATTER. SYNDICATION HAS BEEN IN THE FORM OF "BETWEEN \$200 AND \$250 MILLION", IN ORDER TO AVOID POSSIBILITY OF ANY BANK BACKING OUT IF THE \$250 MILLION IS NOT OBTAINED.

3. ABBOTT HAS PASSED ON IN CONFIDENCE A COPY OF THE PROPOSED MEMORANDUM OF UNDERSTANDING BETWEEN CITIBANK AND ZAIRE. THIS HAS NOT YET BEEN DISCUSSED BY CITIBANK WITH BOFOSSA OR ANYONE ELSE IN THE CENTRAL BANK. EMBASSY WILL POUCH COPY TO WASHINGTON ASAP. CUTLER

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